

## Message Text

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COMMERCE FOR BEWT/TDAD (STEIN)

E.O. 11652: N/A

TAGS: ETRD, CZ, US

SUBJECT: TECHNOLOGY TRANSFER FROM EASTERN EUROPE TO THE U.S.

REFS: 75 STATE 207819, 75 PRAGUE 2686

1. ACCORDING TO ING. MIROSLAV HNIZDO, CHIEF, LICENSING SECTION, FEDERAL MINISTRY OF TECHNOLOGY AND INVESTMENT DEVELOPMENT (FMTID), BALANCE OF TECHNOLOGY TRANSFER (AT LEAST IN RELATION TO SALES AND PURCHASES OF LICENSES) BETWEEN CZECHOSLOVAKIA AND U.S. IS CURRENT RUNNING IN FAVOR OF U.S. THAT IS, CZECHOSLOVAK ENTERPRISES AND RESEARCH INSTITUTES HAVE SOLD FAR MORE TECHNOLOGY TO U.S. FIRMS THROUGH LICENSING ARRANGEMENTS THAN U.S. INDUSTRY HAS SOLD TO CZECHOSLOVAKIA. HNIZDO ESTIMATED THAT BETWEEN \$20 MILLION AND \$30 MILLION WORTH OF LICENSED TECHNOLOGY HAS BEEN EXPORTED BY CZECHOSLOVAKIA TO U.S. DURING PAST FEW YEARS, WHEREAS ONLY A HANDFUL OF U.S. LICENSES HAVE BEEN PURCHASED BY CZECHOSLOVAKIA IN RETURN.

2. TWO MAJOR U.S. LICENSES WHICH CAME TO HNIZDO'S MIND, WERE A LICENSE FOR POLYPROPYLENE PRODUCTION TECHNOLOGY SOLD TO SLOVAK CHEMICAL TRUST, SLOVCHEMIE, TWO YEARS AGO BY U.S. FIRM AVISUM IN NEW YORK CITY (THE EQUIPMENT FOR THIS INSTALLATION WAS PURCHASED BY SLOVCHEMIE FROM JAPAN.) AND A LICENSE FROM U.S. FIRM REFAC, PHILADELPHIA, PENNSYLVANIA, FOR PORUDCTION TECHNOLOGY FOR PRINTED CIRCUITS FOR USE IN RADIO INDUSTRY.

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3. ING. HNIZDO SAID THAT NEARLY THIRTY CZECHOSLOVAK LICENSES HAVE BEEN SOLD IN U.S., MOST NOTABLE OF WHICH WAS LICENSE FOR PRODUCTION OF SOFT CONTACT LENSES PURCHASED BY NATIONAL PATENT DEVELOPMENT CORPORATION, WHICH LATER MERGED WITH BAUSCH AND LOMB.

V4. ING. HNIZDO DESCRIBED UNBALANCED TRADE IN LICENSES BETWEEN U.S. AND CZECHOSLOVAKIA AS "PARADOX" IN VIEW OF ACKNOWLEDGED POSITION OF U.S. AS WORLD LEADER IN MOST BRANCHES OF TECHNOLOGY, ESPECIALLY WHERE LARGE PROJECTS WERE CONCERNED. HE LAMENTED FACT THAT U.S. INDUSTRY WAS NOT MORE INTERESTED IN SALES OF TECHNOLOGY TO CZECHOSLOVAK ENTERPRISES, ESPECIALLY SINCE GOVERNMENT PLANNED TO UPGRADE TECHNOLOGICAL BASE OF MOST INDUSTRIES IN COMING YEARS.

5. EMBASSY REGRETS DELAY IN SUBMISSION OF THIS INFORMATION BUT, UNFORTUNATELY, THE FOREIGN TRADE COMPANY POLYTECHNA WHICH DEALS IN SALES AND PURCHASES OF LICENSES (SEE REFTEL 2686) WAS NOT AT ALL FORTHCOMING ON THIS QUESTION. ING. HNIZDO HAS PROMISED TO PREPARE FOR US A MORE DETAILED LIST OF MAJOR LICENSES TRADED BETWEEN OUR TWO COUNTRIES WHICH WE WILL FORWARD TO BEWT/TDAD ON RECEIPT.

PERRY

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## Message Attributes

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